

12-1991

## ATM Crime & Security Newsletter, Vol. 1 No. 2

Francis B. Schreiber

*St. Cloud State University*, [fbschreiber@stcloudstate.edu](mailto:fbschreiber@stcloudstate.edu)

Follow this and additional works at: <https://repository.stcloudstate.edu/atmcs>



Part of the [Criminology and Criminal Justice Commons](#)

---

### Recommended Citation

Schreiber, Francis B., "ATM Crime & Security Newsletter, Vol. 1 No. 2" (1991). *ATM Crime and Security Newsletter*. 3.  
<https://repository.stcloudstate.edu/atmcs/3>

This Newsletter is brought to you for free and open access by the Research Reports and Newsletters at theRepository at St. Cloud State. It has been accepted for inclusion in ATM Crime and Security Newsletter by an authorized administrator of theRepository at St. Cloud State. For more information, please contact [rswexelbaum@stcloudstate.edu](mailto:rswexelbaum@stcloudstate.edu).



# Crime & Security Newsletter

Volume 1, Issue 2

December 1991

## Inside This Issue ...

Key Events Nationally	Page 1
Other National Events	Page 7
In The Northeast	Page 9
In The South	Page 12
In The Midwest	Page 14
In The West	Page 15
International Reports	Page 18
Consumer Education	Page 18
Closing Notes	Page 20

## KEY EVENTS NATIONALLY

- 1) New Jersey State Senator, Victim Of ATM Card Theft, Proposes Legislation: Last November, New Jersey State Senator Wynona Lipman's cash card and PIN were stolen and \$3,000 withdrawn from her account over a period of 3 weeks. Only \$1,450 of the \$3,000 she lost was refunded by her bank. In addition, the ATM the card thief used did not have a camera. Lipman said she was told by the bank, "if I had been able to identify whoever took the money out... (the bank) would have given me everything back." Now Lipman has proposed a bill to require all New Jersey banks to install video cameras at each of their remote ATM locations.

The New Jersey Savings League stated that "We basically do not believe that legislation is needed... That ought to be the option of particular financial institutions." The New Jersey Bankers Association also opposed the legislation. "We're opposed to the bill, mainly because there is no proof anywhere that having a video camera is an effective deterrent or an investigative aid when it comes to ATM crime," said spokesman Kurt Schaub. Sonia Barbera of the American Banking Association also stated that cameras don't deter crime. Both Schaub and Barbera "note that the machines are a customer convenience, and in the end it's up to the customers to beware." (Reporter Jim Hooker.) (*The Philadelphia Business Journal*, November 7.)

- 2) New York City Council ATM Security Ordinance Proposal Is Comprehensive, Expensive: New York City Councilmember Ronnie Eldridge was recently robbed at an ATM in Manhattan. In early October he proposed a dramatic and comprehensive ATM law for the City of New York. This appears to be another example of the ATM Crime Crisis Cycle, where a crime committed against a legislator or constituent elicits a legislative remedy for ATM crime.

Another New York City Councilmember, Ken Fisher (Brooklyn) said, "I think that this (ATM security proposal) came out of Ronnie's own unfortunate encounter in Manhattan and complaints we have received, and after the dramatic and sad (ATM shooting) incident (of Assistant District Attorney David Breen) not long ago."

The bill, introduced in early October, requires:

- No new outdoor ATM locations in New York City;
- Adequate lighting around existing outdoor ATMs, their parking lots, and the interior portions of buildings where ATMs are accessible after hours;
- A surveillance camera and recorder at every New York ATM;
- Card access entry doors after hours;
- At least one glass exterior wall of ATM enclosures;
- Reflective mirrors mounted above the ATM to allow the customer a rear view of the surrounding area;
- A sign stating that: the ATM is being monitored for security; customers must close the entry door completely before using the machine; customers must pocket their cash securely before leaving the ATM; and complaints about ATM safety should be directed the New York Department of Consumer Affairs.
- Each ATM cardholder be given a written copy of basic ATM safety information;
- Penalties of up to \$500 for a first violation, up to \$1,000 for a second violation, and a minimum of \$2,000 for a third and subsequent violations. Banks will be given three days to correct a violation. (Michael Clark, October 18 Brooklyn Heights Paper)

The full text of this proposed law is included at the end of this newsletter.

- 3) Lawsuits for Publication of Wrong ATM Photo: *Banking Week*, September 3, discussed potential bank liability for the use of a wrong ATM photo in a New York City incident involving the use of an ATM card shortly after it was stolen from a rape victim. The bank released the wrong ATM camera photo to the police, who then released it to the media. *The Daily News*, New York's largest tabloid, ran it on the front page, which led to the pictured man's arrest. Unfortunately, the wrong ATM photo was published and the innocent man pictured is now considering lawsuits against both the bank and the police. The police claimed that the bank's mechanism for matching ATM transactions to customer photographs failed; officials at Apple Bank Corp. denied that a malfunction occurred.

The article states that most ATM vendors offer computerized interfaces that emboss the security camera photographs with the account number of the card used. Although 90% of the banks operating ATMs are stated to have installed cameras, only 60% of machines are purchased with automatic camera interfaces. The interfaces are offered by NCR Corp., Dayton Ohio, and InterBold, in North Canton Ohio, and cost between \$200 and \$300 per machine.

Editor's Note: Caution is called for in releasing ATM photos automatically linked to transaction numbers. Some banks also issue disclaimers on the back of any security camera photographs released to the police.

The *Banking Week* article also quotes a 1991 report from the American Bankers Association which stated that 93% of financial institutions with more than one billion dollars in assets reported losses from their ATMs last year. The median loss was about \$10,000 per year. (Reporter Matt Barthel.)

- 4) ATM Servicers Arrested After Stealing \$700,000: Eric Michael Caldwell, 21, and John Robert Hubard, 23, former North Carolina Wells Fargo ATM maintenance and repair technicians, were arrested in the ski resort town of Breckenridge, Colorado after stealing more than \$700,000 from ATMs in North Carolina.

The FBI stated that the two ATM servicemen had access codes and keys for many ATM machines, and suspected that they had taken the money from as many as 16 teller machines in the Raleigh-Chapel Hill area over the Labor Day weekend. They then purchased a used Honda Prelude and drove it through New Orleans, Kansas, and possibly other places before arriving in the Denver area on September 8. Wells Fargo Armored Service Corporation had issued a poster with the men's pictures and had offered a reward (see box). The FBI was able to trace the pair to Colorado after receiving a tip from an auto dealer that he had received \$26,000 in cash for a Toyota MR2 and more than \$35,000 for a Mitsubishi 3000.

Caldwell and Hubard both had experience working with computers, and Mr. Caldwell was considered a "whiz." (Stephen Hoar, Reporter for *The News and Observer* of Raleigh, North Carolina) (Also reported September 29 in *The Daily Times Call* of Longmont, Colorado, the *Fort Collins Coloradoan*.)

The October 2 *The Winston-Salem Journal*, Winston-Salem, North Carolina, discussed the men's personal background, education, and career goals. Hubbard was described by a Wells Fargo official as "the most promising young man I've ever had the pleasure of hiring here at Wells Fargo. I thought he'd accomplish every goal he'd set for himself." (Frank Tuisi, Reporter.)

*The News and Observer* of Raleigh, North Carolina published follow-up articles on October 13, 22, 24 and 25, describing "life on the lam" for the pair, including a description of the cash and items found in their Boulder, Colorado apartment, their new girl friends, the luxury rooms at Breckenridge ski resort, and further details of the FBI's investigation. During their appearance in U.S. district court, the men requested court-appointed lawyers because they could not afford to hire their own. They were indicted on conspiracy, bank larceny and money laundering. The assistant U.S. attorney stated that the two men were charged with bank larcenies rather than robberies because they had stolen money from machines rather than from people. About \$13,000 is missing from machines in Winston-Salem to which Hubbard had access. An October 25, 1991 article in *The News and Observer* reported that Caldwell and Hubbard left many clues prior to their disappearance.



- 5) \$27,800 ATM Service Team Robbery: *The News Pilot* of San Pedro, California, reported on September 24 that a 19-year old man and his 27-year old female companion were arrested after a 10:00 p.m. robbery of a two person ATM service team at Bank of America. The two robbers had followed the two employees of the bank, and robbed them of \$27,800 as they loaded cash into ATMs.
- 6) ATM Card Thief Withdraws \$99,750 In 3 Days: Curtiss L. Ratcliff, 35, was arrested after using a stolen Mastercard to withdraw \$99,750 in three days from ATMs in five counties. The thief stole the Mastercard and a PIN number written on a slip of paper from an elderly woman's purse. Apparently, a "glitch" in the computer program which limits the amount of money that could be withdrawn in a day did not work. Ratcliff aroused suspicion at a Price Shopper Supermarket in DeWitt, New York, when one of the employees noticed him making \$400 withdrawal after \$400 withdrawal and stuffing his pockets with cash. Ratcliff was able to withdraw \$5,600 in \$20 bills between 12:05 and 12:25 p.m. in the supermarket. The store manager activated a security camera and began monitoring Ratcliff. (September 27, *The Syracuse Herald-Journal*, Syracuse, New York, Reporter John Dougherty.)
- 7) Guilty Plea From Front-End Loader Theft of ATM Machine: Wayne Walker Jr., 32, pleaded guilty on September 19 to the frontend loader-assisted theft of an ATM at First Seneca Bank in Buffalo, PA. Walker and his codefendant, James Anthony, 31, used a frontend loader to demolish a concrete enclosure housing the 1,700 pound bank machine, lifted the ATM into a pickup truck and later used a cutting torch to open it. The two stole about \$16,000 and caused \$47,000 in damage. When asked by U.S. district judge Donald Ziegler why he committed the crime, Walker stated that, "It was one of Jim's hare-brained ideas." The two were drinking and talking and "one thing led to another." [September 20 issue of *The Greenville Piedmont*, Greenville, South Carolina, *The Recorder*, Greenville, Massachusetts, *The Denton Record-Chronicle*, Denton, Texas, and September 21, 1991 issue of *USA Today* (International edition)]
- 8) New England ATM Machine Thieves Arrested: Richard Pickert, 27, James Varounis, 27, and Robert Green, 28, (see photos) were arrested by police at a Lowell, Massachusetts auto body shop. Police officer Leo Mendez, while on foot patrol, heard banging inside the shop at about 2:00 a.m. He looked in the window and saw the men attempting to open a metal object (discovered to be a stolen ATM) in the back of a pickup truck with a sledgehammer and chisel. The men are believed to have used a stolen tow truck to shatter windows and rip the ATM from inside the MarketBasket Store at Middlesex Mall in Burlington. They then used a backhoe to load the ATM onto a stolen pickup truck and then brought the ATM to the auto body shop. (Edward Manzi, Reporter, September 30 issue of *The Sun*, Lowell, Massachusetts)

Lowell police were investigating whether the same individuals were responsible for the theft of more than a dozen ATM machines elsewhere in Massachusetts and New Hampshire. (Also reported in *The Daily Times-Chronicle*, Woburn, Massachusetts; *Salem Evening News*, Salem, Massachusetts; *The Boston Globe*, *The Eagle-Tribune*, Lawrence, Massachusetts (Lois Marchand, reporter); *The Boston Herald*; and *The Beverly Times*, Beverly, Massachusetts (Kevin Wesiem, reporter.) on October 1.)

The men were charged with breaking and entering at night and of larceny from a depository by the Burlington police; and with possession of a stolen motor vehicle by the Lowell police. Burlington police officer James Tigges reported that he and his partner had responded to the MarketBasket at 11:38 the night of the ATM theft in response to an alarm. Upon arrival, they found that the windows of the store had been smashed and the ATM ripped out. The police found a tow truck and the backhoe tractor parked in front of the store. Tigges said that the bandits were "really fast because we were there within three minutes of the alarm." (*The Burlington Times-Union*, Burlington, Massachusetts reported October 3).

Another article stated that the banking industry claims that ATM theft is a relatively small problem that has been blown out of proportion. William J. McMullen, a special agent with the FBI, noted that ATM robberies only make up 1% of all bank robbery-related crimes in 1990. He stated that there were 85 incidents involving ATMs. This number is was reported to be 65% higher than 1989. Statistics for 1991 are not in yet.

A fact sheet distributed by the American Bankers Association states that there were 9,750 machines in 1979, 86,000 in 1989 and 93,000 in 1990. The American Bankers Association predicts that 75% of bank customers will be using ATMs by the year 2000. Fifteen percent of the country's ATMs are located off-premises, grocery stores or shopping centers, where security is less stringent. (*The Worcester, Massachusetts Sunday Telegram*, October 6.)

- 9) \$32,265 Stolen In ATM Burglary: *The Cuyahoga Falls News-Press*, Cuyahoga Falls, Ohio, reported on September 9 that a Bank One ATM was pried open, a combination vault entered and the money box removed. The Cuyahoga Falls Police described the burglary as a "safecracking." It was discovered by an ATM servicer. (Dorothy Markus, reporter.)

- 10) Suspects In Disappearance of Woman Tracked Through Use of ATM Card: Three people were arrested on October 27 in connection with the disappearance of insurance agent Nan M. Schiffman on October 7. The police stopped two of the suspects and took them into custody after finding Schiffman's Citibank Visa card on them. The card had been used several times since her disappearance to withdraw money from ATMs. The Greensboro police used a sophisticated computer system to track Kenneth Alonzo Kaiser, Jr., 23, and Keith Darren Williams, aka Mark Bishop, 28. Schiffman's family continued to deposit substantial amounts of money into her bank account to entice the suspects to keep using the card. Each time the bank card was used a computer system operated by Citibank and Wachovia Bank recorded the transactions. The computer also identified customers who had used the ATMs just before and after the money was withdrawn and police used that information to locate witnesses who could describe who was withdrawing money from Schiffman's account. (Meredith Barkley, reporter.). (*The Greensboro News and Record* of Greensboro, North Carolina, October 27, 29, and 31.)
- 11) Alabama Police Officer's Sister Murdered: *The Birmingham News* of Birmingham, Alabama reported on November 1 that Sharma Ruth Johnson, 22, was abducted and killed sometime after shopping at a grocery store and 30 minutes later at 1:30 a.m. when a suspect used her stolen bank card at an ATM. The police have released a photograph of the murder suspect taken by a video camera at the ATM. Miss Johnson was found dead in the trunk of her burned car. She had been shot in the head. She was the sister of police officer Scott Johnson of the Birmingham Police Department. Police asked local television stations to play the video, which showed a man using the bank card. (Roy Williams, Bryan Crowson and Walter Bryant, reporters.)

## **OTHER NATIONAL EVENTS**

- 12) 1989 GTE ATM Fraud Scam Described: The *EDPACS* September, 1991 issue (a monthly periodical for data security management and control published in Boston, Massachusetts) described in detail the GTE ATM fraud scam attempted by several individuals who had produced counterfeited ATM cards and were in the process of encoding the counterfeit cards with stolen bank account information, when they were arrested February 4, 1989 by the U.S. Secret Service. The article describes the extent of the fraud potential, how the scheme developed, how the counterfeit cards were fabricated, and how the scheme was thwarted. The article was developed from background material provided by the fraud division of the U.S. Secret Service.

Also mentioned was the March, 1991 theft of an ATM machine from the Illinois State Center in Chicago. [EDPACS, (800) 950-1218]

- 13) Banks Concerned About Embezzlement: *The American Banker* (September 18) reported that bank security officers are turning their attention to employee-initiated bank crime. Experts stress the importance of a strict audit policy, especially in high risk areas, such as electronic funds transfer networks and ATM operations.



The article noted that the majority of preventive measures presently in place are directed at staff level employees, despite the fact that 80% of all employee-related bank crime is attributed to financial officers. (Matt Barthel, reporter.)

- 14) Success of Convenience Store ATMs Reported: *Convenience Store News* (November 4) discussed the benefits to convenience stores of having ATMs on the premises. It was noted that even though thefts of ATM machines are up, this has not been a problem in convenience stores. A 7-11 spokesman stated that their ATMs are placed close to the cash register, which he believes acts as a deterrent to theft. (Reporter Susie Fucini).

\*\* Also reported in the same issue was Texaco's pilot test of card-activated machines which dispense in-store vouchers (or scrip) in lieu of ATMs dispensing cash. The scrip would be redeemable for goods or cash inside the store. The card-activated scrip machines accept bank debit cards and four major credit cards, but do not dispense cash. The machines operate on both local and national banking networks. In addition to costing less to operate, the threat of robbery or internal theft is thought to be reduced. Texaco plans to roll out the scrip machine program to as many as 5,000 stores in the next 5 years. This is an important development. (Reporter John Callanan).

- 15) Another Postal Worker Steals \$28,000: A 35-year old Milwaukee postal worker, Donald Martin, was charged with stealing 37 ATM cards and their following PIN numbers from the mail and using them to steal more than \$28,000 from four banks. (September 28, *The Milwaukee Journal*, Milwaukee, Wisconsin.)
- 16) Teenage ATM Murderer Gets Life Sentence: 16-year old Anthony Davis, was sentenced to life in prison after being convicted by a jury in August of killing Randy Kidd on February 2, 1990 when Kidd refused to turn over \$120 to Davis in an ATM robbery. (September 28, *The Sun Sentinel*, Fort Lauderdale, Florida.)
- 17) Postman Pleads Guilty: *The Daily Sparks-Tribune*, Sparks, Nevada, reported on October 1 that Sparks postal clerk John P. Lannom, who stole ATM cards from the mail, will probably plead guilty to charges of robbery of U.S. property and theft from the mail. Lannom used ATM cards to obtain more than \$17,000 in cash and merchandise. (Angela Curtis, reporter). (*The Daily Sparks-Tribune* originally reported on this story on May 2.)
- 18) Widow Loses Life Savings Of \$28,000 To ATM Card Thief: The ATM card of an 86-year old widow was stolen and used to withdraw \$28,000 from 21 different ATM locations between June, 1990 and March, 1991. A drawing and photos of the suspect female were released by the Secret Service. She was believed to be a relative of the victim. They declined to identify the bank. "The victim said she did not realize her card had been taken out of her wallet and that someone was stealing money out of the account because she could not read her monthly bank statements," said Tom Tamborello, U.S.

Secret Service agent. "Unfortunately, she had her PIN written on a piece of paper wrapped around the card, so the thief had access..." The widow's life savings of \$28,000 were withdrawn from her bank account. The bank took responsibility for only \$3,245 of the loss because the victim failed to report it within 3 months. On November 5 *The Courier-Post* reported that the suspect relative had been identified. Another suspect, who appeared in the security camera photograph released by the Secret Service, was also being investigated. (Carol Comegno, reporter) *The Courier-Post* of Camden, New Jersey, October 23)

- 19) California ATM Murderer Convicted: William Theron Crowder was found guilty of first degree murder and armed robbery for the murder of Paul Wade on January 1, 1990. Crowder was convicted on testimony from his accomplice who stated that he drove Crowder to a storage garage in Vallejo, California and dropped him off. Crowder then shot Paul Wade in the foot, forced him to drive to the parking lot of Napa Valley Bank in American Canyon, forced him to surrender his ATM card and PIN and then shot him in the neck with a shotgun. Crowder will be sentenced on December 12. (Jack Katranek, reporter.) (November 1, front page story in *The Napa Valley Register*, Napa, California.)
- 20) Houston 14-Year Old Sentenced For ATM Murder: A 14-year old who killed a man leaving a Houston convenience store ATM will be sent to the Texas Youth Facility until he is 18. He will then be returned to court for a hearing, and if it is shown that his conduct has continued to be menacing, he may be sent to an adult prison for the rest of his 20 year sentence. (See October issue of this newsletter.) (John Malceig, reporter.) (*The Houston Chronicle*, November 14.)
- 21) Computer Terrorist Expert Testifies Before Congress: The November 5 issue of *The Eagle*, Butler, Pennsylvania, described the testimony of Winn Schwartau during a Congressional hearing on the vulnerability of United States computer systems. Schwartau has written a book, Terminal Compromise, describing how computer systems can be sabotaged. He describes the weapons, tools and techniques needed to sabotage computer equipment, including how easy it is to rob an ATM.



## IN THE NORTHEAST

- 22) ATM Mangled In Burglary Attempt: On September 25, a Granite Bank ATM in Chesterfield, New Hampshire was ripped apart, the outside metal casing mangled and the vault nearly ripped out, but no money was missing. (Mark Hayward, reporter.) (*Keene Sentinel*, Keene, New Hampshire, September 25.)
- 23) Wallet Stolen At ATM: A Pennsylvania woman had her wallet taken from her unzipped purse while she was using an ATM at the King of Prussia Plaza, Upper Merion Township. (*The Times-Herald* of Norristown, Pennsylvania, September 28.)

- 24) ATMs Damaged: The State College Pennsylvania *Centre Daily Times* reported on October 1 that the enclosures around two ATMs were damaged by vandals. The front glass of a machine owned by Mid-State Bank on College Avenue was cracked and a glass enclosing a teller booth owned by Mellon Bank also was damaged.
- 25) Pennsylvania Patient Caretaker Charged With Stealing \$2,000 By ATM: *The Times-Herald* of Norristown, Pennsylvania, reported on October 1 that a former patient caretaker at the Leader Nursing and Rehabilitation Center in Upper Merion Township was charged with using a resident's ATM card to steal more than \$2,000. Colleen Byrd made nine withdrawals totaling \$2,120 after stealing a card and checkbook from a female patient. She called the victim to get the MAC card ID number by misrepresenting herself as a bank employee. Security photos taken at the ATM showed Byrd making the withdrawals. The Meridian bank restored the lost money to the victim's account.
- 26) Rambo Helps Foil Theft: Dog Bites Man: *The Times* of Trenton, New Jersey, reported on October 2 that two men were arrested after they allegedly broke into a National Westminster Bank and tried to steal cash from the ATM. The men had removed a window to gain entry to the bank. They then attempted to break into the ATM without success. Three patrol officers a police dog, Rambo, rushed to the bank after receiving an alarm. Two of the officers arrested one of the men, while Rambo and one of the other officers arrested the second man, who suffered a Rambo bite to the arm.
- 27) Delaware Man Attacked At ATM: *The Dover Post* of Dover, Delaware, reported October 9 that a Smyrna man was attacked when he tried to use an ATM. He was using the machine at the Bank of Delaware in the K-Mart Shopping Center on October 1 when three men attacked him. One hit him in the back with an ax handle, knocking him down. He was able to fight off the three attackers and run away. No money was taken.
- 28) MAC Card Stolen: *The Tuckerton Beacon*, Manahawkin, New Jersey, reported on October 10 reported that Genevieve Cichocki, 20, turned herself in for stealing a MAC card and taking over \$6,000. She took the card and learned the PIN from the victim's daughter. She made 35 withdrawals between July and September from four different ATMs. The victim never reported the bank card as lost.
- 29) Rhode Island Housekeeper Fraud: *The Providence Journal Bulletin* of Providence, Rhode Island reported on November 19 that Lorrinda Hileman, 28, pleaded no contest to an embezzlement charge after taking more than \$32,000 from the life savings of an elderly man she was hired to take care of in 1989. Hileman handled the victim's housekeeping, banking and shopping between January and July of 1989. The victim was reimbursed by Hileman's former employer's insurance carrier. (Reporter Peyton Fleming.)
- 30) Woman Charged With ATM Theft: *The Press Enterprise* of Bloomsburg, Pennsylvania reported on October 19 that a woman was charged with making \$300 worth



of unlawful withdrawals from an ATM on her own account at First National Bank of Berwick. At the time, her account was overdrawn by \$250.03. She was able to make the withdrawals because the machine was off host.

- 31) New Jersey Woman Assaulted and Robbed: *The Jersey Journal - Hudson Dispatch Bergen Edition* of Jersey City, New Jersey reported on October 25 that a woman was assaulted and robbed of \$40 after withdrawing money from an ATM in Hoboken.
- 32) Man Robbed Near ATM: *The Mainline Times* of Ardmore, Pennsylvania reported on October 31 that a 27-year old Philadelphia man was robbed of his watch, wallet and coat as he walked away from an ATM in Bala Cynwyd. He tried to make a withdrawal from the ATM but it was out of order. As he walked away, a car pulled up next to him, a man got out of the passenger side and took his coat, wallet and watch at gunpoint. (Reporter Mark Ward.)
- 33) Bank Robbery Suspect Traced Through Girlfriend's ATM Card: *The Hartford Courant* of Hartford, Connecticut reported on November 1 that a man who confessed to robbing \$39,150 from the Northwest Bank for Savings at gunpoint, had removed the videos from the bank's surveillance cameras. He was caught because he used his girlfriend's ATM card to gain entry to the bank's foyer before business hours, then used the card in the ATM to check an account balance. When the branch's two tellers arrived to open up for business, he forced them to let him in at gunpoint. He told police he needed the money to pay off drug dealers. (Reporter Randy Burgerro.)
- 34) ATM Card Stolen: *The Concord Monitor* of Concord, New Hampshire reported on November 7 that someone had stolen a wallet from a locker in the men's locker room at the YMCA in Concord. The thief tried to use the stolen bank card to get \$500 from an ATM at Concord Savings Bank, but the machine captured the card. Police plan to check the ATM video recorder for evidence.
- 35) Man Robbed At ATM Machine: *The News Times* of Danbury, Connecticut reported on November 13 that a man was hit in the face and robbed after withdrawing money from an ATM in Bethel. He was using the ATM behind the Union Trust Bank on Greenwood Avenue at about 10:15 p.m.
- 36) State Senator Charged With ATM Fraud: *The New Haven Register* of New Haven, Connecticut reported on November 2 that Senator Charles H. Allen III, New Haven, has been accused of stealing a \$30,000 insurance check intended for the fiancée of his sister. Allen allegedly intercepted the check, forged his sister's fiancée's signature on it, and deposited it in a joint account he shared with his sister. (Reporter Joseph T. Brady.)





## IN THE SOUTH

- 37) Man Shot In Robbery Attempt At ATM: *The Greensboro News and Record* of Greensboro, North Carolina reported on September 26 that a 42-year old Greensboro man was shot in his car after withdrawing money at an NCNB cash machine. The victim had returned to his car when a man approached the victim and asked for money. The victim refused and tried to drive away. The robber shot through the windshield, injuring the victim slightly. (Kelly Simmon, reporter.)
- 38) Cab Driver Foils Robbery: *The Clarion Ledger* of Jackson, Mississippi reported on October 2 that cabdriver Eddie Leapheart received a certificate of honor from Jackson's mayor after giving chase to and helping apprehend an ATM robber. A woman had withdrawn \$50 from the ATM at Deposit Guarantee National Bank at about 10:00 a.m. The male robber held her against the machine, grabbed the money from her hand and fled on foot. Leapheart heard the victim's screaming and briefly gave chase on foot. Then he jumped in his cab with the woman and tailed the suspect for several miles, using his taxi radio to notify police of their location. The robber was arrested by police and charged with strong arm robbery, aggravated assault on a police officer and resisting arrest. The victim's money was not recovered but the bank reimbursed her loss. (Christine Uthoff, reporter.)
- 39) ATM Card Stolen: \$2,000 Lost From Account: *The Jacksonville News* of Jacksonville, Arkansas reported on October 4 that Jacksonville police were investigating the theft of an ATM card and loss of over \$2,000 from an account at the Little Rock Air Force Base Federal Credit Union. The victim didn't realize that the card had been stolen because she never uses it. She was alerted to a problem when she started getting notices of returned checks and a notice that money had been transferred from her savings account to cover insufficient funds in her checking account. (John Healy, reporter.)
- 40) Couple Robbed At Home After Withdrawing Cash: *The Miami Herald* reported on October 6 that a couple was robbed near their home after withdrawing money from an ATM a half-mile away. The robber struck the man in the head with a gun and stole \$325. Another robber grabbed the woman by the neck and took her purse, which contained \$50.
- 41) Virginia Police Warn Of ATM Robberies: *The Potomac News* of Woodbridge, Virginia reported on October 12 that police were investigating a September 26 knifepoint robbery of a woman who was making a bankbag deposit at the night deposit box at a Riggs Bank. In a second case, two men robbed a 34-year old man who had just taken cash from an ATM at a Sovran Bank. The robbers were carrying small rifles. As the man got into his car, the robbers kicked the car door and demanded money. One of the men broke the driver's side window with the butt of his gun, hitting the man in the face. The robbers ran off without getting any money. The police recommended that residents

refrain from using ATMs at night and take along a friend if they do use the machines. The police also warned machine users to be aware of their surroundings and to report anyone acting in a suspicious manner. (Kim Ziemons, reporter.)

- 42) No Problems With Some North Carolina ATMs: *The Sanford Herald* of Sanford, North Carolina reported on November 15 that local banking officials have not had problems with thefts from ATM machines. Referring specifically to the \$700,000 crime spree committed by two Raleigh ATM servicers (see Key Events Nationally, above), bank officials at Branch Banking and Trust, State Employees Credit Union, and Mid-South Bank stated that they have had no similar problems. Major Wayne Poe of the Sanford Police Department stated that he could not recall any reports of ATM break-ins, although there had been a few situations where a stolen ATM card was used to get money. (Darla Godwin, reporter.)
- 43) Couple Robbed At ATM: *The News* of Boca Raton, Florida reported on October 19 that a couple who was making a deposit about 2:30 a.m. at Great Western Bank ATM was confronted by two robbers with handguns. One grabbed the woman's waistpack and purse as the other grabbed the car keys from the man driving the car. The woman lost a can opener, a lighter and \$20. (Melissa Vickers, reporter.)
- 44) Tennessee Couple Charged With Bank Fraud: *The Chattanooga News Press* of Chattanooga, Tennessee reported on October 25 that Tonya Wade, 19, and her husband, Michael Wade, 18, plead not guilty to bank fraud. The two stole a number of blank checks from Commercial Credit Company, deposited the stolen checks into their account in the approximate amount of \$42,000 and withdrew approximately \$33,502 by use of the ATM card and by \$4,000 check. The checks were stolen by Tonya while she was employed by a janitorial service. One of her janitorial duties was cleaning the offices of Commercial Credit Company.
- 45) Man Robbed and Beaten at ATM: *The News* of Boca Raton, Florida reported on November 7 that a man was robbed and beaten in front of a Barnett Bank ATM machine at 10:45 p.m. He was robbed at gunpoint by two men as he was getting into his car and beaten when he refused to return to the machine and withdraw more cash. The men took the victim's wallet and a pack of cigarettes.
- 46) Robbers Give Up On Poor Victim: A November 8 story in *The Boca Raton News* reported that three men tried to rob a woman at a Barnett Bank about 8:00 p.m., but just "shook their heads in disgust" when she gave them a receipt showing only \$60 in her account. She was having trouble using her ATM card when a man approached her with a black semiautomatic handgun, demanding cash. Two other men joined the gunman, who then demanded \$100. When she couldn't get any cash, the three just walked away. (Melissa Vickers, reporter.)

- 47) Decline In Houston ATM Robberies: *The Houston Chronicle* of Houston, Texas reported on November 11 that Houston police and financial institutions have reported a decline in the number of customers getting mugged at ATMs. The drop is attributed to several recent arrests, plus increased caution by the public. Heads of security from the major banks and thrifts met earlier this year to discuss the problem. They discussed who was getting robbed, where and how. Some machines were temporarily shut down to make safety improvements, and a pamphlet of customer safety tips was prepared.



## IN THE MIDWEST

- 48) College Student ATM Victim: *The Daily Kent Stater* (Kent State University) on September 19 reported that a friend of a columnist lost his wallet and that someone used his ATM card. Apparently, the student's access number was also in the wallet. An unspecified amount of money was immediately withdrawn from a number of ATMs throughout Kent.
- 49) Armed Robber Apprehended: The Birmingham-Bloomfield Edition of *The Eccentric*, Birmingham, Michigan, reported on September 26 that a Pontiac man was arrested one day after robbing a man at an ATM in Bloomfield Township. The robbery occurred at 8:40 p.m. at First Bank of America. The thief threatened the victim with "a wooden object," took his wallet and cash the man had withdrawn from the ATM and escaped in a Ford Escort. The victim reported the car's license number to the police. (Greg Kowalski, reporter.)
- 50) Student Robbed At Knifepoint: *The State News* (Michigan State University) of East Lansing, Michigan, reported on October 4 that a MSU student was robbed at knifepoint when withdrawing money from an ATM at Quality Dairy. The thief escaped with \$20.
- 51) ATM Robbery: *The Muncie Star* in Muncie, Indiana, reported on October 14 that a man claiming to have a gun stole \$100 in cash from a man standing at an ATM. The crime occurred at 6:00 p.m. from the Merchants State Bank.
- 52) Philadelphia Man Charged With Theft: *The Vindicator* of Youngstown, Ohio, reports that a Philadelphia man was accused of taking \$9,000 after attempting to open a new account at the Dollar Bank in Youngstown. He was also charged with opening a bogus account at Bank One and withdrawing \$9,000 under a false name. The thief would obtain the names of people along with their social security number, and then obtain a drivers license number from the Pennsylvania Bureau of Driver Licensing. He would then hire a privately operated maildrop and answering service, go to a bank and open a savings and checking account so he could use the ATM. Benefit checks written to him would then be deposited and he would withdraw the money the next day at the ATM. (Tim Yovich, reporter.)





## IN THE WEST

- 53) California Abduction Suspect Apprehended: *The Daily Californian* in El Cajon, California, reported on September 20 that sheriff's deputies had captured a suspect after a robbery and abduction at an ATM. The El Cajon and San Diego police were investigating to determine whether the suspect is involved in other ATM crimes. These include a series of crimes which occurred the previous week at the same Union Bank ATM. At 6:30 p.m. the suspect tried to force a man at the ATM to withdraw money but the machine kept his card. The thief then ordered the man to drive to his home where they got the ATM card of the victim's wife. The woman was able to notify her neighbor, an off-duty sheriff's deputy. The deputies apprehended the armed man and arrested him. (Reporter, Jo Moreland.)
- 54) Two Women Robbed: *The San Gabriel Valley Tribune* in Covina, California reported on September 20 that two women sitting in a car outside a restaurant were robbed at gunpoint of their money and credit cards, including an ATM card.
- 55) Palm Springs Woman Assaulted At ATM: *The Desert Sun* of Palm Springs, California reported on September 22 that a man was arrested on suspicion of sexual battery after allegedly grabbing the buttocks of a woman who was waiting to use an ATM at First Interstate Bank.
- 56) Writer Urges Guns to Stop Crime: In what appears to be a letter to *The Temple City Times* Temple City, California, on September 22, writer Steven P. Wenger noted an increase in violent crime in California, especially "murders of people who have been accosted in public places to be robbed of ATM withdrawals and credit cards." Mr. Wenger believes that California sheriffs and chiefs of police are too restrictive in their issuance of gun permits. He believes that a revision of the weapon permit laws would result in a reduction of violent predatory crimes because more citizens could carry guns.
- 57) Woman Harassed At ATM: *The Journal* of El Cerrito, California, reported on September 26 that a woman was approached by another female at an ATM who demanded money. Details of this incident are unclear. (Dawn Frasier, Reporter.)
- 58) "L.A. Law" Victimized By Thieves: *The Los Angeles Daily Journal* reported on September 27 that the Los Angeles district attorney's office is investigating several employees in the law firm of O'Melveny and Myers in connection with a series of thefts, including the use of a partner's stolen ATM card to obtain \$25,000 from a trust account. Cards stolen from two other attorneys netted \$29,000. The Security Pacific Bank had apparently mistakenly sent an ATM card for attorney Philip Erwin's mother's trust account to the law firm's address and someone there had intercepted it. Another attorney, Douglas Cranwinkle, noted a number of ATM transactions on his bank statement that he hadn't made and discovered that a temporary ATM card was missing



from his desk. A total of \$4,000 was withdrawn from his account. Security Pacific reimbursed both lawyers. Checks were also stolen from another attorney, and someone attempted to use his Mastercard charge card to wire \$1,200 to a woman via Western Union. Other incidents included the theft of credit cards, checks, drivers licenses and cash in 1990. Former employees are suspected. (Martin Berg, reporter.)

- 59) ATM Card Stolen: *The Press Courier* of Oxnard, California, reported on September 30 that a female suspect reportedly withdrew \$1,500 from a bank account after stealing the ATM card from the victim's Oxnard home.
- 60) Teenager Victim of ATM Robber: *The San Bernadino Sun* of San Bernadino, California, reported that a 17-year old girl was robbed at knifepoint while she was using a drive-through ATM at the Bank of America. The robber obtained \$200 from the girl and fled.
- 61) Three Teenagers Suspect In ATM Robberies: *The Daily Californian* of El Cajon, California, reported that three teenagers, two girls ages 13 and 16 and a 16-year old boy, may have committed ATM holdups in San Diego and Encinitas. The trio committed a purse snatch from a 27-year old woman, then robbed and injured a man at an ATM in Spring Valley. They tried to steal a 65-year old woman's purse in Lemon Grove, robbed a woman at an ATM in San Diego, drove off in a stolen car at speeds up to 80 miles per hour and then crashed into a pickup truck and were arrested. (Jo Moreland, reporter.)
- 62) ATM Suspects Arrested: *The Desert Sun* of Palm Springs, California, reported on November 7 that two people attempted to rob a man at an ATM at a Bank of America. The victim ran away and called the police. A man and a woman were arrested.
- 63) ATM Robbery In Fresno: *The Colvis Independent* in Colvis, California, reported on October 9 that an ATM customer was robbed at gunpoint at 9:00 p.m. at the Bank of Fresno. No dollar loss amount was reported in the article.
- 64) ATM Robbery In Palmdale: *The Antelope Valley Press* in Palmdale, California, reported on October 20 that a man who had just withdrawn \$100 from the First Interstate Bank around midnight was punched in the face and had his wallet stolen by two men.
- 65) Robbery Suspect Arrested: *The Orange County Register* of Santa Ana, California, reported on October 21 that a suspect was arrested after allegedly stealing money at knifepoint from a customer at an ATM at a Bank of America at 10:00 p.m. The robber then stole the victim's car and was apprehended by a Garden Grove police officer patrolling the area who chased and apprehended him.
- 66) ATM Robberies In Vallejo: *The Vallejo Times Herald* of Vallejo, California, reported on October 22 that the Vallejo police are searching for a man who had robbed

or attempted to rob four people at ATMs the previous week. The man approached victims at the Napa Valley Bank and a Wells Fargo Bank, possibly carrying an automatic handgun.

- 67) Holdup At ATMs: *The Daily Review* of Hayward, California, reported on October 29 that two men wearing ski masks, one with a sawed-off shotgun, robbed IDT Financial Services Bank at 11:30 a.m. Police were investigating a possible connection between the bank robbery and the shooting of two men at a Bank of America ATM the previous evening. (Reporter, Glen Chapman.)
- 68) Man Robbed Of \$150: *The Antelope Valley Press*, Palmdale, California, reported on November 5 that a 56-year old man was robbed at gunpoint after withdrawing \$100 from an ATM. One of the robbers held a gun to the victim's back while the other took the cash and the man's wallet containing \$50.



## INTERNATIONAL REPORTS

- 69) Scottish Man Successful In ATM Claim Against Bank: *The Daily Telegraph* of London, England reported on September 19 that a Cleland, Strathclyde man, who sued the Bank of Scotland for £570 lost from his account, reached an out-of-court settlement with the bank. The man claimed that the money disappeared from his account through an ATM in eight transactions, three of which occurred when the man was out of the country. The bank refused to compensate him and he sued. Settlement was reached after the Consumers Association backed the man and planned to call evidence from a computer expert who would show that cash machines could make mistakes. The article noted that a survey of the Consumer Association's *Which?* magazine found that 6% of the 600 readers responding had been given the wrong amount of cash on at least one occasion, 5% received nothing though their accounts were debited, and 1% had received cash without their accounts being debited.
- 70) Woman Loses Cash Card; Consumer Tips Given: *The Winnipeg Free Press*, Winnipeg, Manitoba, Canada, reported on September 29 that a Winnipeg woman had her purse stolen from the trunk of her car. The purse contained her wallet, her credit card, her ATM card, and her PIN. By the next morning, the thieves cleaned out her checking account and ran her overdraft up to the limit. The woman lost \$1,000 and the Bank of Montreal is only accepting liability for half of it. The Bank of Montreal maintains that having both her ATM card and her PIN in the wallet at the time of the theft was in violation of a clause in her bank card agreement which states that "I will not disclose my PIN to any person and will keep my PIN separate from my First Bank Card at all times." Bank of Montreal customers who are victims of bank card fraud are liable for losses of up to \$500 if they fail to keep their card and PIN separate; otherwise, the liability is \$50. Officials from various banks interviewed for this article recommended precautions that consumers could take to protect themselves from fraud. Consumers are cautioned to never lend their ATM cards to others and not to disclose their PIN numbers, to prevent others from observing their PINs while using an ATM, and calling the bank if the ATM card is lost. (Reporter, Murray McNeill.)

## CONSUMER EDUCATION

- 71) The Crime Of The Century?: Jim Jorgenson's *Money Talk* column, which appeared on September 12 in *The Times* of San Mateo, California, stated that the new "high tech" bank robbers now break into ATMs, which often contain as much as "\$50,000 in cash and that beats a typical bank robbery of \$2,000." "The risk is low, the reward high," says a credit card newsletter. "It's the crime of the century."

- 72) ATM Crime On The Rise: *The Salisbury Post* in Salisbury, North Carolina reported on September 27 that a Salisbury woman was robbed at gunpoint at a downtown Wachovia Bank ATM the previous week. Bill Coleman of the bank states that the ATM robbery was the only one they've ever had in Salisbury. Coleman said that overall security, including ATM safety, is one of their biggest concerns. "One of the key things is to make the area extremely well-lit." Phil Holtz of First Union Bank also noted the importance of lighting and says that his bank wants to provide as much as possible without violating the West Square Historic District's guidelines. He also advises locating ATMs along major thoroughfares. Holtz recommends that ATM customers use common sense, perform transactions quickly, and have a companion at night. The BAI surveys of 1987 and 1989 were mentioned and quoted. Also cited were safety tips from the BAI, such as avoiding isolated or poorly lit ATMs; using a familiar machine; increased customer awareness; reporting any suspicious activity near ATMs; keeping doors locked at drive-through ATMs; and memorizing the PIN number rather than writing it down.
- 73) Using An Automatic "Terror" Machine: Columnist Ken Carolan reported in his column in the September 28 issue of *The Trentonian*, Trenton, New Jersey, that he had received a brochure from his bank explaining the precautions one must take when using an ATM card. Safety tips to avoid being mugged and robbed, as well as preventing fraud were discussed in the column. He stated your friendly ATM may become your "Automatic Terror Machine" due to violent crime.
- 74) Customer Liability For ATM Theft: The October 7 issue of *Medical Economics*, Montvale, New Jersey, in response to a question from a reader about what protection a customer has if somebody gains access to his bank account via theft from an ATM, stated that the liability of the customer is \$50 if the bank is notified within two business days and could cost up to \$500 if the customer waits longer than two days. Failure to report an unauthorized transaction within 60 days could make the customer liable for all transfers made thereafter.
- 75) Consumer Tips Offered: *The Boca Raton News*, Boca Raton, Florida, published ATM Tips on October 15. The article noted that robberies typically fall into three classes: Robbers who take the money just withdrawn; robbers who force to tap the account at gunpoint for even more, and robbers who steal the card and make a getaway. Florida Department of Law Enforcement reported on a 156% increase in ATM crime between 1988 and 1989. (Daniel DeVise, reporter.)
- 76) Consumer Product Commissioner Offers Tips: *The Westport News* Westport, Connecticut, *Wilton Bulletin*, Ridgefield, Connecticut, and *Weston Forum*, Weston, Connecticut, in a column by Gloria Schaffer of the Consumer Protection Commission, October 16 and October 23, gave consumer advice to avoid credit card scams, including ATM fraud.



- 77) Customer Must Pay First \$50 Of ATM Loss: *The Greensboro News and Record* of Greensboro, North Carolina, on October 21 published a question from a consumer who had lost \$210 from a First Union account in their Hot Line column. The customer complained that the bank says that someone withdrew the money using an ATM card. The customer claimed that he has the only card for the account. First Union checked into the complaint and refused to refund the \$50, stating "there's no way you can access an account (through an ATM) without the identification number." The bank also noted that the customer's mother was also listed on the account.
- 78) Lost Or Stolen ATM Cards: *The Zephyr Hills News*, Zephyr Hills, Florida, carries a column by Gerold Lewis, comptroller, who published an article about lost or stolen ATM cards on September 19. He notes that the Electronic Funds Transfer Act has established for the consumer if the ATM card is missing. The procedures were described in the article, along with advice for consumers to prevent ATM fraud.

### CLOSING NOTES

\*\* The full text of the New York City proposed ordinance is attached hereto.

### COMING ATTRACTIONS

\*\*

All four national studies of ATM crime characteristics to date (by Bank Administration Institute and the American Bankers Association in both 1987 and 1989) have used data from bank security records. The characteristics of ATM crimes from these sources are regarded as the industry standard for ATM crime prevention purposes. But how do the detailed ATM crime data from more than 400 law enforcement reports compare to the incidents reported to bank security officers? Find out first in ATM Crime and Security Newsletter during the first quarter of 1992.

**Subscription Application and Invoice for**  
**ATM Crime and Security Newsletter**

☐

**YES!**

I need to keep current on ATM security developments nationally.

I need to document my professional continuing education.

I need to persuade others in my organization that ATM crime threats are real.

Your Name \_\_\_\_\_

Title, Organization \_\_\_\_\_

Address \_\_\_\_\_

Office Phone Number: ( ) \_\_\_\_\_

Office FAX Number: ( ) \_\_\_\_\_

**Invoice:** For 12 monthly issues of **ATM Crime and Security Newsletter**

☐ \$395 payable to "FBS Associates"

☐ \$375 for Charter Subscription if postmarked by February 15, 1992

Mail to:

F. Barry Schreiber  
26720 Highway 169  
Zimmerman, MN 55398

Home Office Phone: (612) 856-4884  
Home Office FAX: (612) 856-2776

**Comments:** You fill in the blank, and grade the professor!

What I like most about ATM Crime and Security Newsletter:

\_\_\_\_\_  
\_\_\_\_\_

What I'd like to see more of: \_\_\_\_\_

\_\_\_\_\_

I'd suggest: \_\_\_\_\_

\_\_\_\_\_